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U.S. - South Africa Understanding on Intellectual Property

United States Trade Representative Charlene Barshefsky today announced that the Governments of the United States and South Africa have come to an understanding with respect to South Africa's urgent need to provide better, more affordable health care while ensuring that intellectual property rights are protected. This understanding was reached working through the mechanism of the Council of the Trade and Investment Framework Agreement (TIFA).

"The Government of South Africa is battling a very serious AIDS pandemic," stated Ambassador Barshefsky. "The United States Government fully supports President Mbeki and his Government in their effort to combat this problem and is committed to do whatever it can to help.

Both Governments also have reaffirmed their shared objective of fully protecting intellectual property rights, including their commitment to comply with the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement). They recognized that this Agreement is designed to ensure high levels of intellectual property protection while enabling governments to address national social needs.

Between these shared commitments, the two governments have identified common ground with respect to South Africa's implementation of its so-called "Medicines Act." "The United States very much appreciates South Africa's assurance that, as it moves vigorously forward to bring improved health care to its citizens, it will do so in a manner consistent with international commitments and that fully protects intellectual property rights," continued Ambassador Barshefsky. "This will enable us to set aside this issue from our bilateral trade agenda. Moreover, once GSP is re-authorized by Congress, new GSP benefits granted to South Africa in June 1998 will be implemented."

Ambassador Barshefsky also welcomed a September 9 announcement by the Pharmaceutical Manufacturers Association of South Africa that it will suspend litigation over the Medicines Act. Barshefsky observed: "I am hopeful that this suspension, coupled with progress made between our two governments, will enable all interested parties to develop together the best possible

approach to addressing this serious situation, while protecting important intellectual property rights.”